Yardsticks & Helping Hands:

How Performance Monitoring & Regional Capital Assistance Will Impact Your Housing Authority

DHCD Presentation

MassNAHRO Conference - May 18, 2015

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Session Agenda

- Opening Remarks – Steven Carvalho

- Reform Update – Sarah Glassman

- Helping Hands: Regional Capital Assistance Teams

- Yardsticks: Performance Monitoring Program

Opening Remarks

Steven Carvalho

Reform Update

Sarah Glassman

Helping Hands: Regional Capital Assistance Teams

Amy Stitely

Section 26c
Ch. 235 of the Acts of 2014

- 3 Regional Capital Assistance Teams (RCATs)

- To assist smaller LHAs (<500 state units) with

  - Capital & Maintenance Planning

  - Project Management

  - Securing Funds

  - Regional Collaboration on Bulk Procurements & Purchasing. Economies of Scale

Section 26c
Ch. 235 of the Acts of 2014

- DHCD to select by RFR 3 Host Housing Authorities administer program
  - Staffed by a Director and Project Managers
  - 2,500 max units per staff person
- Each RCAT advised by 11 member board
  - 1 Seat appointed by Host Housing Authority
  - 1 Seat appointed by DHCD
  - 9 Seats elected by participating LHAs

Key Decisions – Past Six Months

- Regions
- Scope of Services
- Advisory Board Election Process
- Waivers
- RFR Criteria
- Administrative Fee/ED Salary for Host Housing Authority

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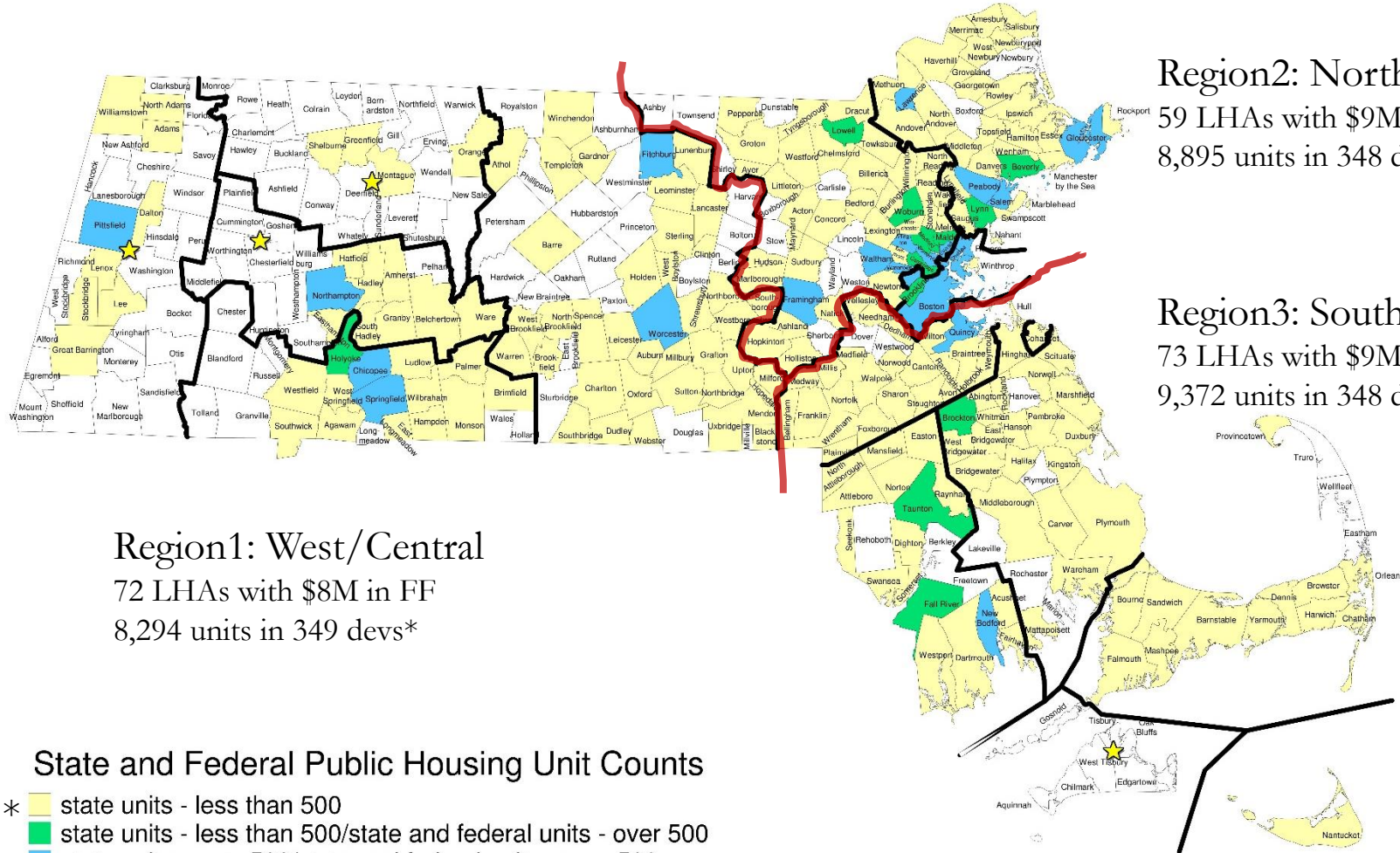
Region2: North/East
59 LHAs with $9M in FF
8,895 units in 348 devs*

Region3: South/East
73 LHAs with $9M in FF
9,372 units in 348 devs*

Region1: West/Central
72 LHAs with $8M in FF
8,294 units in 349 devs*

State and Federal Public Housing Unit Counts

* 　state units - less than 500
　　state units - less than 500/state and federal units - over 500
　　state units - over 500/state and federal units - over 500

☆ state units - less than 500 - Dukes County, Berkshire County, Hampshire County, Franklin County

Scope of Services

Year One

- Regional/Statewide Trainings
- Portfolio Needs Assessment
- Capital Plan Creation & Maintenance
- Under $25K Projects
- Securing Funds

Years Two & Three

- Maintenance Plan Creation
- Bulk Procurement Pilot
- Force Account Pilot
- $25 to 100K Projects

Q: Is this a Realistic Scope? A: Yes!

- Annual Program Budget = $833K ($2.5M for all regions)

- 4 to 6 Full Time Employees

  - RCAT Director, 3 to 4 Project Managers, plus optional Administrator

- Typical Project Manager's Portfolio

  - 19 LHAs; 87 developments; 2,343 units

  - 25 projects per year in $10-25K range

  - 10 projects per year in $25-100K range

Advisory Board

- A Board for Board members by Board members

- Host & DHCD appoint two seats

- Participating LHA boards elect the other 9; at least 1 reserved for tenant.

  - Each LHA Board may nominate up to 2 of its own Board members.

  - If Board nominates 2 members, then 1 must be a tenant member.

  - DHCD will administer online election.

Waiver Requirements

CAPACITY

- One full-time Executive Director.
- One full-time Maintenance Person.

EXPERTISE

- One staff person with MCPPO Certification for Design and Construction Contracting.

PERFORMANCE

- No significant relevant findings in tenant survey
- No corrective action in DHCD performance monitoring assessment.
- No findings in capital part of DHCD assessment

Waiver Requirements - Capital

No Findings in Capital Part of Assessment

- Spent 80% of past 3 years Formula Funding
- CIP Submit On-Time
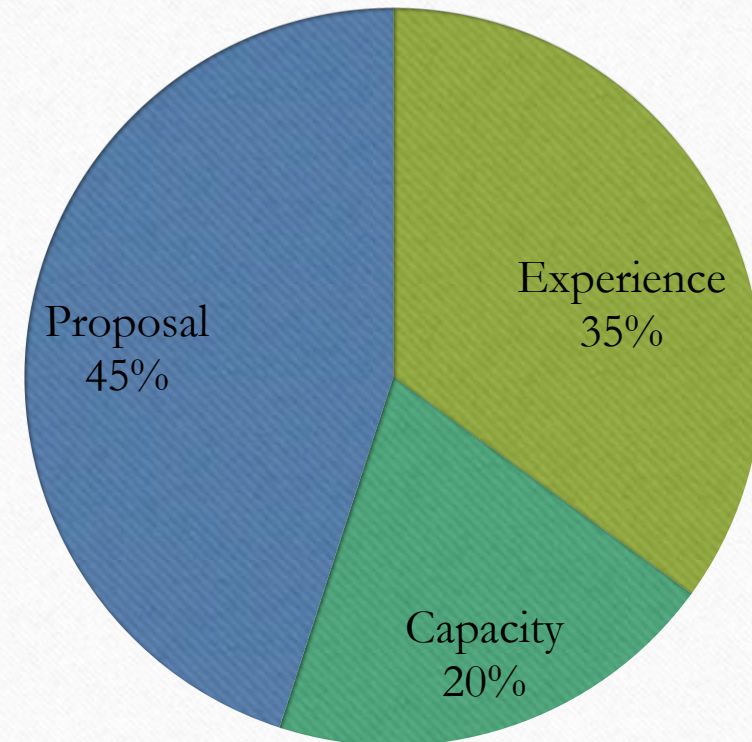- No procurement errors in random sample of small project files
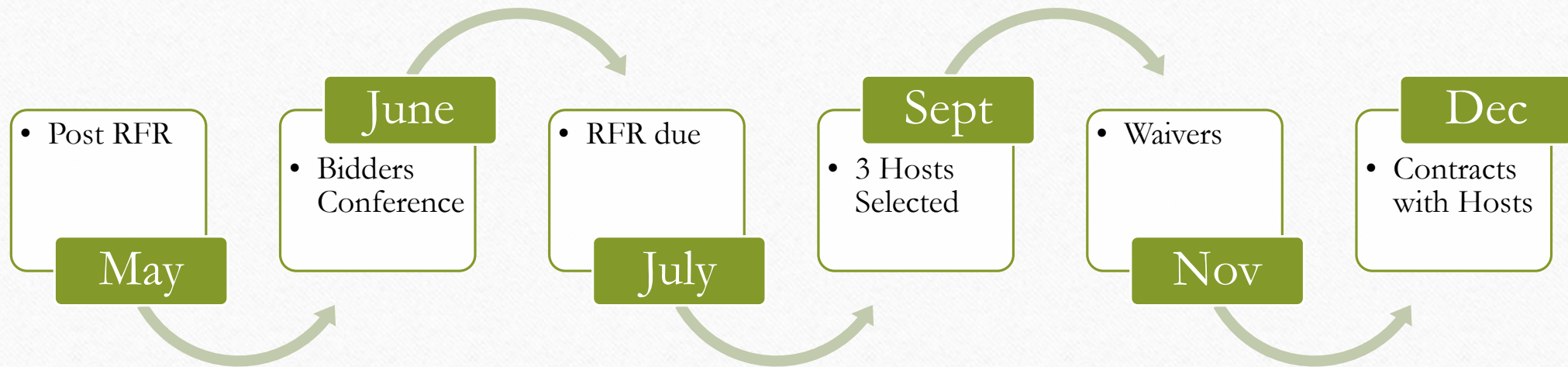
Why become a Host Housing Authority?

- Common good!
- Prestige!!
- Money!!!
  - LHA will collect a 5% admin fee (estimated at $41K)
  - Fee may be applied to increases in Executive Director or other staff salaries, per program guidelines to be established.
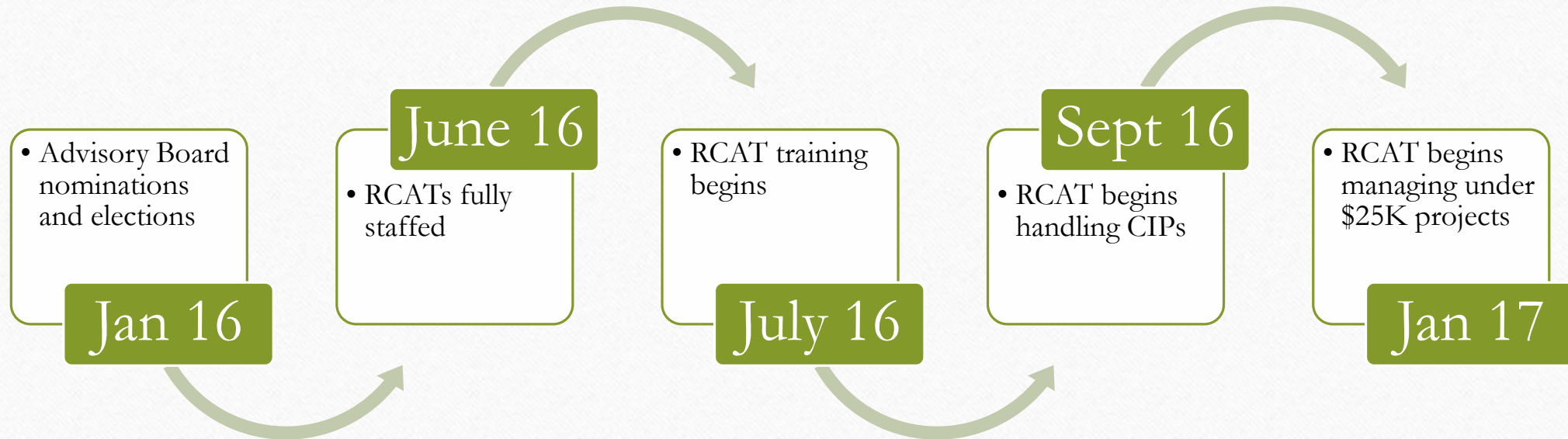
RFR Selection Criteria

- 35% LHA Experience
  - Capital/Maintenance Track Record
  - Multi-Organizational Program Experience
- 20% LHA Capacity
- 45% LHA proposal
  - Program Implementation Proposal
  - Staffing and Organizational Plan
  - Cost, Quality, and Feasibility of Budget

Proposal 45%

Experience 35%

Capacity 20%

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2015 RFR Timeline

May
- Post RFR

June
- Bidders Conference

July
- RFR due

Sept
- 3 Hosts Selected

Nov
- Waivers

Dec
- Contracts with Hosts

2016-17 Program Ramp Up

- Advisory Board nominations and elections

Jan 16

June 16
- RCATs fully staffed

- RCAT training begins

July 16

Sept 16
- RCAT begins handling CIPs

- RCAT begins managing under $25K projects

Jan 17

Parting Thoughts

Questions?

Yardsticks: Performance Monitoring

Mirna DeRodriguez and Laura Taylor

DHCD Performance–Based Monitoring Program and Assessment Standards

Public Housing Legislation
An Act Relative to Local Housing Authorities
Massachusetts General Laws Chapter 121B Section 26B
Signed August 6, 2014

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- ▶ DHCD has been charged with creating a "performance-based monitoring program and assessment standards" for state public housing.

- ▶ Includes several assessment standards.

- ▶ DHCD is creating several separate procedures to comply with this legislation.

- ▶ This is an overview the **Housing Management Review** portion of this requirement.

DHCD's Past and Current Housing Management Reviews

What we used to do

➢ **Multi-day review**

　➢ **(haven't done for several years)**

What we do now

➢ Limited Scope Reviews

　➢ on an as-need basis

What We Are Planning to Do

➤ Create "performance-based monitoring program and assessment standards" for all state LHAs that includes a **Housing Management Review.**

➤ Model the **Housing Management Review** on some of HUD's performance indicators.

➤ Evaluate ten criteria.

Reminder: Any program that is developed will require ongoing compliance with already existing regulations. Compliance with the current regulations will remain in effect unless or until the regulations are changed or amended.

Step 1: We established a working group

➢ DHCD created a working group to help develop the **Housing Management Review.**

> ➢ The Working Group is represented by
>> ➢ LHA Representatives (EDs)
>> ➢ National Association of Housing and Redevelopment Officials (Mass NAHRO)
>> ➢ Mass Law Reform
>> ➢ Mass Union of Public Housing Tenants
>> ➢ Industry professionals, including LHA Board Commissioners
>> ➢ Key DHCD Housing Management Staff

Step 2:

We modeled our categories/indicators after HUD categories/indicators, as much as possible

HUD Interim Rule	(score)	DHCD Categories
▶ Management	25	Management/Administration
▶ Physical Condition	40	Physical Conditions/Facilities Management
▶ Financial	25	Financial
▶ Capital	10	Capital (CIP) & Procurement

Step 2 (cont.) :
We selected ten indicators/criteria to assess

Category	Indicator/Criteria
▶ Management	1. Occupancy Rate
	2. Tenant Accounts Receivable (TAR)
	3. Accounts Payable (AP)
	4. Master Ledger & Wait List (DHCD Public Housing Portal)
▶ Physical Condition	5. Annual Inspections (by LHAs)
	6. Systems – Work orders, Preventive Maintenance
▶ Financial	7. Budget Performance (AUP covers other financial areas)
▶ Capital	8. CIP Submission
	9. Cap Spending
	10. Small Projects Procurement

Step 3:
We identified how the indicators/criteria would be evaluated

Category	**Indicator/Criteria**	**How/Where Evaluated**
• Management	Occupancy Rate	DHCD Desk Review
	Tenant Accounts Receivable (TAR)	DHCD Desk Review
	Accounts Payable (AP)	DHCD Desk Review
	Master Ledger & Wait List (DHCD Public Housing Portal) ⟶	On Site
• Physical Condition	Annual Inspections (by LHAs) ⟶	On Site
	Systems – Work Orders, Preventive Maintenance ⟶	On Site
• Financial	Budget Performance	DHCD Desk Review
	(AUP covers other financial areas)	
• Capital	CIP Submission	DHCD Desk Review
	Cap Spending	
	Small Projects Procurement ⟶	On Site

Step 4:
We created a scoring system with standards for each criteria

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Score
- No Findings
- Operational Guidance
- Corrective Action

Step 5: What happens with the scores

Score	Performance Standard	LHA/DHCD Proposed Action
▶ No Findings	▶ No Findings in any of the criteria	No further review for up to two years under normal circumstances.
▶ Operational Guidance	▶ One or more criteria receive operational guidance.	If up to three criteria received an "Operational Guidance" score, LHA corrects criteria and DHCD will review those criteria in 1 year. If four or more criteria receive an Operational Guidance score, DHCD will review those criteria in 6 months.
▶ Corrective Action	▶ Receive Corrective action rating in one or more criteria.	LHA must submit a Corrective Action Plan (CAP) DHCD reviews CAP quarterly or semi annually. LHA has one year to implement and show progress with the plan.

Step 6: What's Next?

May/June: Meet with Working Group to finalize elements of pilot assessments.

June: Review with Mass NAHRO Housing Committee.

July/August: Pilot the protocol with 6-9 LHAs – based on size & geography.

Sept: Meet with Working Group on results, make edits.

Nov/Dec: Begin review process.

Questions/Discussion